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VIA ELECTRONIC MAIL ONLY

June 19, 2020

Aida Camacho-Welsh, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: I/M/O the Verified Joint Petition of Cavalier Telephone Mid-Atlantic, LLC, and
Intellifiber Networks, LLC, Sellers and Uniti Group Finance Inc. and Uniti
National LLC, Purchasers, For Approval for Sellers to Transfer Certain Assets to
Purchasers **BPU Docket No.: TM20050374**

Dear Secretary Camacho-Welsh:

The New Jersey Division of Rate Counsel ("Rate Counsel") has reviewed the above referenced Verified Joint Petition of Cavalier Telephone Mid-Atlantic, LLC ("Cavalier") and Intellifiber Networks, LLC ("Intellifiber") (together, the "Windstream Licensees" or "Sellers"), Uniti Group Finance Inc. ("Uniti Group Finance"), and Uniti National LLC ("Uniti National" and together with Uniti Group Finance, "Purchasers") (Purchasers and Sellers collectively, "Petitioners") filed on May 28, 2020, with the New Jersey Board of Public Utilities ("Board") seeking Board approval for Sellers to transfer certain fiber optic assets to Purchasers (the "Transaction"). Rate Counsel submits the within comments for the Board's consideration. Rate Counsel is only filing electronically please acknowledge receipt of this filing electronically for Rate Counsel's records. For the reasons that follow, Rate Counsel does not oppose Board approval of Petitioners' requests in this matter.

Discussion

Sellers Cavalier and Intellifiber are wholly owned subsidiaries of Windstream a Delaware corporation headquartered at 4001 Rodney Parham Road, Little Rock, Arkansas 72212, with stock traded in the “Over the Counter” (“OTC”) market under the symbol “WINMQ”.¹ Cavalier and Intellifiber are authorized to provide a myriad of interstate telecommunications and communications services throughout New Jersey under Board dockets TE01060370 and TE01090594, respectively.² While Windstream does not itself provide telecommunications services its’ subsidiaries supply core transport on local and long-haul fiber network spanning approximately 150,000 miles.³ Purchasers, Uniti Group Finance and Uniti National (respectively a Delaware corporation and limited liability company) headquartered at 10802 Executive Center Drive, Suite 300, Little Rock, Arkansas are subsidiaries of Uniti Group Inc. (“Uniti Group”) a real estate investment trust publicly traded Maryland corporation headquartered at the same address as Purchasers, engaged in the acquisition and construction of infrastructure utilized by the communications industry, (together with its subsidiaries, “Uniti”).⁴ Uniti does not provide telecommunications services in New Jersey and asserts it would seek independent Board prior to providing regulated telecommunications services in New Jersey in its own right.⁵

On April 20, 2020, Windstream and Uniti entered into a settlement agreement (following mediation) allowing Windstream to emerge from Chapter 11 bankruptcy settling outstanding

¹ Petition, p. 3.

² Id.

³ Id.

⁴ Id., p.4.

⁵ Id. and at *fn* 4.

financial obligations between Windstream and Uniti. The Agreement transfers certain Windstream fiber assets (roughly 3,966 fiber route miles nationwide) currently owned Windstream's competitive local exchange carrier subsidiaries to Uniti.⁶ In addition, the Agreement grants an indefeasible right of use ("IRU") to Windstream's subsidiaries under an initial term of 20 years for those fiber assets that Windstream's subsidiaries use to provide services, along with additional fibers to provide Windstream's subsidiaries with spare capacity. Uniti will have access to sublease or otherwise utilize those fiber assets that are not being granted back to Windstream's subsidiaries.⁷

Petitioners state that the Transaction is a key component of a settlement between Windstream and Uniti which will maintain access to the fiber assets required by the Windstream Licensees (in New Jersey) and other Windstream entities around the country to serve existing (and potential new) customers. The Transaction will have no adverse impact on customers and will be transparent to customers who will continue to receive service on the same rates, terms and conditions of service.⁸

Prior Board approval of any sale or merger must be based on its satisfaction that the transaction will result in positive benefits and are in the public interest. Petitioners have provided information for approval of a transfer of assets pursuant to *N.J.S.A. 48:2-51.1 et seq.*, and *N.J.S.A. 48:3-10*. Petitioners assert that the transfer of assets will be transparent to customers and will not impact service, rates, terms or conditions of service. Rate Counsel relying n the

⁶ Id., p. 6.

⁷ Id.

⁸ Petition, p. 7.

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assertions and verified statements by Petitioners does not object to Board approval of Petitioners' request should the Board determine after its review that approval is prudent and warranted to ensure the continued provision of innovative, high quality telecommunications services to New Jersey customers. Thank you for your attention to this matter.

Very truly yours,

STEFANIE A. BRAND, ESQ.
DIRECTOR
DIVISION OF RATE COUNSEL

/s/ María T Novas-Ruiz

MNR/td
c: Service List

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**In the Matter of Verified Joint Petition of
Cavalier Telephone Mid-
Atlantic, LLC, and Intellifiber Networks,
LLC, Sellers, and Uniti Group
Finance Inc. and Uniti National LLC,
Purchasers, for Approval for Sellers**

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